

COMMERCIAL IN CONFIDENCE

MINUTES OF LONDON & PARTNERS BOARD MEETING
Thursday 17 September 2020 | 9.00 am – 12.00 pm
Via Zoom

Present:

Directors:

Rajesh Agrawal, Chairman (RA)
Laura Citron (LC)
Andrew Cooke (AC)
Catherine McGuinness (CM)
Tamara Rajah (TR)
Sandie Dawe (SD)
Massy Larizadeh (ML)
Mark Taylor (MT)
Dominic Field (DF)
Manju Malhotra (MM)
Chris McLeod (CM)

Observers:

Ben Johnson (BJ), GLA
Leah Kreitzman (LK), GLA

Management Committee:

Julie Chappell (JC)
Rose Wangen-Jones (RWJ)
Janet Coyle (JCo)
Allen Simpson (AS)

Minutes

Gill Manners (GM) L&P

Additional attendees

Kristina Nordsten (KN) L&P
Simon McCaugherty (SM) L&P
Margaret Ashworth (MA) L&P
Luke Bruce (LB) GLA
Katherine Gee (KG) GLA

Apologies:

Jo Wright (JW)
Reza Razavi (RR)
Sacha Romanovitch (SR)
Justine Simons (JS), GLA

1. Welcome and Apologies for absence

- 1.1 The Chairman welcomed the Board to the formal September quarterly meeting.
- 1.2 Apologies were received from Sacha Romanovitch, Jo Wright, Reza Razavi and Justine Simons.

2. Declaration of Interests

- 2.1. The Chairman advised the Board that Tamara Rajah had recently been made a Director of Nationwide and had updated her Declaration of Interests. The Board congratulated Tamara on her appointment.
- 2.2. There were no other Declarations of interest noted.

3. Minutes of last Meeting

- 3.1 The minutes of the informal Board Meeting held on Wednesday 12 August 2020 were approved.

4. Matters Arising

- 4.1. The Chairman advised that the only matter arising related to the discussion on targets for the current financial year at the last meeting and an agreement to update the board on the leading indicators that would be used to help predict whether targets needed to change. These would be covered by Laura Citron in her CEO report.

ITEMS FOR DISCUSSION

Andrew Jackson joined the meeting

5. Board Evaluation

- 5.1. The Chairman welcomed Andrew Jackson who attended the Board meeting in June and has since interviewed all the board directors as part of his evaluation of the board. Sandie Dawe as sponsor of the board evaluation invited Andrew Jackson to introduce the item.
- 5.2. Andrew Jackson thanked the board members for their time and feedback and presented the headlines of the report and recommendations to the Board.
- 5.3. It was recommended that board agendas be rebalanced with more of the corporate issues delegated to Committees or dealt with on paper to allow greater discussion of material and strategic issues.
- 5.4. Policy papers could be brought to the board earlier so that the board could take more of a role in shaping them earlier in the decision-making process.
- 5.5. Aligned with this the board should consider creating a formal or informal strategy committee.
- 5.6. Andrew Jackson suggested that there would be benefit in appointing a senior independent director or Deputy Chair to support the Chairman in internal board management. This was a role that Sandie Dawe had been carrying out informally and where there would be a gap when she stepped down.
- 5.7. The Board agreed that this was a really helpful and clear report.
- 5.8. New directors to the board agreed that the London & Partners Board and organisation was well-run.
- 5.9. It was agreed that the regular one-hour informal Board calls between the formal quarterly Board meetings were very useful and should continue.
- 5.10. The upcoming Board strategy away day was discussed and agreed that this would be helpful. It was suggested that if the suggestion of appointing a Strategy Committee was adopted, the chair of the committee could pick up some of the governance items recommended in the report.
- 5.11. A Strategy Committee's function was discussed. It was agreed that this shouldn't hamper the Executive Team's ability to make decisions nor add an extra layer.
- 5.12. Massy Larizadeh as the new Chair of the Remuneration Committee will pick up the recommendation of formal and informal appraisal of the CEO.

- 5.13. The Chairman thanked the Board for their comments which were noted and Andrew Jackson for the report. The Chairman noted that it was great to hear everyone felt welcome and able to air their points of view. It was noted that the Chairman has had 121 calls with most Board members over the last few weeks.
- 5.14. The Board agreed that Dominic Field would take up the strategy role and work with Allen Simpson on shaping the Board strategy session in the first instance.
- 5.15. The Chairman advised that he and Andrew Cooke will discuss on how to take the other recommendations forward.

6. CEO's Report

- 6.1. Laura Citron provided a summary of the paper to the Board and answered questions.
- 6.2. Laura stated that over the last few months the Board has been particularly helpful and effective in the informal Board calls, bilateral strategy calls, the committees including the Audit and Finance Committee, Ventures and Events Boards and thanked everyone for their support.
- 6.3. Laura thanked Sandie Dawe for her support and for everything she has done as she steps down from the board.
- 6.4. The Board noted that leading indicators are now included in the scorecard. This has been useful in motivating teams.
- 6.5. **The Board approved the leading indicators.** These will now be submitted to the GLA.
- 6.6. Timing and phasing, particularly acute in two areas - restructuring and income-generation were noted to be a challenge in view of the upcoming strategy change. It was agreed to discuss this under the diversifying income agenda item.

7. Finance Director's Report

- 7.1. Margaret Ashworth presented her report.
- 7.2. Margaret reported that the first quarter 2020-21 accounts had been the subject of rigorous review and discussion at the recent Audit and Finance Committee; consequently, she was not proposing to go through the detail at this Board. Margaret drew the Board's attention to the following:
- The consolidated P & L shows an actual deficit of £1.38m against a budget deficit of £1.58m, a positive variance of £200K. However, continuing uncertainty about the impact of Covid 19 will make it difficult to maintain this position.
 - The Going Concern position has not yet been finalised. London & Partners are in discussion with the GLA about funding for next year, that remains to be finalised. Without this, London & Partners are not able to finalise their going concern statement in their 2019/20 year end accounts. Andrew Cooke gave the Board an update on these discussions highlighting that the earliest the GLA

would be likely to give us an indicative position on funding for next year would be November. It was agreed that the absence of final accounts for 2019/20 was not currently proving detrimental to London & Partners.

- Margaret reported a healthy cash balance, due to the receipt of the Dot London contract change fee. She stated that these reserves should be used to invest in growth.

8. L&P Strategy – Diversifying and growing income

- 8.1. Laura Citron introduced the next in the series of discussions about London & Partners future strategy. The session focussed on the company's approach to income in the short and medium term.
- 8.2. Laura thanked the Audit & Finance Committee who prompted this discussion paper and Andrew Jackson for his recommendation to bring this to the Board now.
- 8.3. Laura outlined the paper which will lay the groundwork for the Board Strategy awayday in October.
- 8.4. The Board agreed with the portfolio approach to developing a new strategy and the matrix was very helpful in setting out the plans. It was agreed that it would be important to be careful where initiatives are placed in the matrix and to be clear about how many outcomes are wanted from each quadrant.
- 8.5. It was recommended not to aim for perfection in terms of numbers and assessment of opportunities but to use people's judgement to assess whether activities are in the right place on the matrix. The Executive shouldn't wait to execute the no-brainers and it was appropriate to adopt a "shrink to grow" approach to the strategy.
- 8.6. It was agreed that in order to make this happen some tough decisions need to be taken quickly. This will give some energy and focus and from this a new platform will grow.
- 8.7. The Board agreed that London & Partners can't grow their future business lines unless they use reserves to support their growth. It was noted that within this portfolio there will be an element of risk.
- 8.8. London & Partners relationship with the GLA was discussed. It was noted that there were huge advantages to London & Partners being aligned with the GLA and their relationship with the Mayor.
- 8.9. The role of decision-making on the portfolio was discussed. It was felt that this did not fit within the Terms of Reference of the Board and Audit and Finance Committee but fitted much better with a Strategic Committee.
- 8.10. It was agreed that the Board should be more of a sounding board for the portfolio at a conceptual level and to provide challenge but should not affect the Executive Team's ability to make decisions. The Board should support the Executive Team in their "big bets".

- 8.11. The proposed event to be run by London & Partners Events was discussed. It was noted that the only additional investment London & Partners is putting in is the salary of the Chief Executive. A decision on whether the event will be viable will be determined shortly.
- 8.12. It was agreed that major decisions that were required would continue to be brought to the London & Partners Board.

Simon McCaugherty, Director Marketing Strategy, joined the meeting

9. London & Partners Ventures/Dot London Domains

- 9.1. The London & Partners Ventures/Dot London Domains minutes of 10 September 2020 were taken as read and agreed.
- 9.2. Tamara Rajah summarised the additional paper on the Visit London Growth project to the board.
- 9.3. An agency was engaged to carry out a comprehensive review of the current situation, strengths, weaknesses and opportunities with a view to future-proofing the VL brand. This has been completed. This was all done with a pre-Covid view.
- 9.4. The Ventures Board recommended investment in a Growth Team. The lead time would be around 6 months. This would require deciding on investment now. If taken forward, investment in a Growth Team would start in January, to be in sight of an upswing for London's recovery from Covid from Q2 2021 onwards.
- 9.5. Tamara thanked Simon McCaugherty, Rose Wangen-Jones and the team for the work done to get to this position over the past few months and being really objective in putting the scenarios together.
- 9.6. The Board agreed this was a good business case and with the proposal to invest and make VL fit for purpose ahead of the return of visitors to London.
- 9.7. It was noted that London & Partners research shows that VL helps people when they have booked their visit to London rather than driving people to London. It was agreed that VL now needs to run as a profit building venture with a focus on ecommerce rather than advertising.
- 9.8. The options analysis was discussed and raised questions such as the underlying assumptions to support the customer proposition. It was recommended that these options were looked at with wider London & Partners commercial opportunities once they had been scoped.
- 9.9. Tamara summarised the take-away for her to discuss further with the Executive team:
- Doing a post Covid fresh look with the LPV Board and revisit if the review was taking place now would different conclusions be reached
- 9.12 It was agreed that a revised approach would be brought back at the London & Partners corporate board strategy day.

Margaret Ashworth and Simon McCaugherty left the meeting

Lalage Clay and Collette Lux joined the meeting

10. International Student Promotion

- 10.1. The Chairman welcomed Lalage Clay, Director of Education and Talent, London & Partners, and Collette Lux, Executive Director of Communications and Marketing, UCL, to the meeting.
- 10.2. Lalage summarised her paper on London & Partners recent work to attract international students to the capital and its plans for the next recruitment round in the light of current circumstances.
- 10.3. In February 2020 the campaign was formally evaluated among prospective students in India, via our standard methodology carried out by Opinium Research. The campaign was found to be appealing, memorable and influential, and more effective than benchmark campaigns at changing perceptions among the target audience. Prospective students who had been exposed to it were strongly motivated to consider London as a study destination.
- 10.4. To improve future campaigns, the research indicated that we should simplify our messaging, and tilt the focus further towards the academic experience rather than the social and cultural experience. We know that this is important to Chinese and Indian students, for whom a UK degree is a major financial investment.
- 10.5. Lalage introduced Collette Lux, Executive Director of Communications and Marketing at UCL, who gave her insights into the current state of play for international students in London.
- 10.6. Collette advised the Board that enrolment numbers are 90% on target. Masters enrolments are at 92%. The ability to get a Tier 4 visa is very important. Enrolment and intent to come to London very high.
- 10.7. UCL has increased the number of student welfare offers providing support to students.
- 10.8. It was noted that UCL has launched it's own testing programme for symptomatic lecturers and students.
- 10.9. In order to minimise drop out rates UCL is developing a policy for students to handle complaints, deferrals, refund requests.
- 10.10. UCL conduct Open Days online.
- 10.11. The post study work visa is useful but is not a deciding factor. Collette noted decisions are made more about the perception of London and the opportunities it presents.
- 10.12. Collette emphasised the importance of starting to plan for next summer and promoting London as a vibrant, global capital.

- 10.13. The Chairman thanked Collette for an extremely interesting and insightful presentation.
- 10.14. The Board congratulated Lalage and the team on the Instagram advertisements and the value of these and asked about the use of TikTok. Lalage noted that she is expecting to see the TikTok media plan in the next few days and will be considering this as a possible channel to use.
- 10.15. Chinese students were discussed. It was noted that Chinese students make decisions very early. China is investing hugely in their universities. These are increasing and improving in quality. China have stated that they want to lower the number of Chinese students travelling overseas. London & Partners are increasingly looking at the Indian market.
- 10.16. Collette noted that UCL now has in-country officers in India for the first time. UCL are considering acting with agents to increase the number of students from other countries.
- 10.17. Collaboration of universities was discussed. It was noted that universities are in competition, so this is very hard to achieve. Collette recommended London & Partners give universities tools to promote London, working with universities advisors who talk to parents. It was noted that next summer there will likely be a huge number of families visiting London for student graduations and that this would be an opportunity to pitch London.
- 10.18. It was recommended that Collette meet with Board member, Professor Reza Razavi, to discuss some ideas.

Lalage Clay and Collette Lux left the meeting

Charlie Thompson from Union Street Partners joined the meeting

11. Future Workplace

- 11.1. The Chairman welcomed Charlie Thompson from Union Street Partners who is supporting London & Partners with its office relocation. Andrew Cooke was invited to update the Board on progress.
- 11.2. Andrew Cooke advised the Board that negotiations with Sustainable Ventures, County Hall, have progressed more slowly than anticipated. In particular responses to London & Partners' concerns regarding their ability to complete the refurbishment of the offices by April 2021. As a result of this Sustainable Ventures had identified alternative space on the 3rd floor of County Hall which could be available with minor modifications for London & Partners to occupy from February 2021. This would be on a temporary basis until the 5th floor is available which was now likely to be August at the earliest and could be later. This has meant that some confidence has been lost in the move to County Hall.
- 11.3. Andrew noted in the meantime London & Partners has been encouraged by the GLA to consider taking space within the GLA family property estate at the London Fire Brigade (LFB) Headquarters at 169 Union Street. This would be less costly than County Hall although the space identified was smaller.

- 11.4. Space-planning is currently being undertaken to determine whether the space will meet L&P's needs recognising that the office would be used in different ways in the future with most employees being comfortable spending more time working from home.
- 11.5. Charlie Thompson advised the LFB agent are sending over the Heads of Terms. Following receipt of these Union Street Partners will be able to do a full cost comparison with County Hall.
- 11.6. London & Partners are currently querying whether LFB are willing to refurbish and upgrade the common areas to improve the visitor experience and make the building more reflective of the different members of the London family that will be occupying the space.
- 11.7. The Board noted that staying within the GLA family would be the best option for London & Partners.
- 11.8. It was agreed the board could not make a final decision on the option until the Heads of Terms had been finalised.

12. Audit and Finance Committee

- 12.1. In Jo Wright's absence Massy Larizadeh updated the Board on the meeting of the Audit and Finance Committee on 9 September.
- 12.2. Massy highlighted the three main discussions at the Audit and Finance Committee:
- Going concern – this had been covered in an earlier agenda item
 - L&P Ventures and the plans for Visit London – this had been covered in an earlier agenda item
 - Future funding and outlook – a profit and loss statement going forward, cost savings and financial principles will be discussed at the next Audit & Finance Committee meeting.
- 12.3. The Board was advised that Margaret Ashworth, Interim FD, has done an excellent job stepping into the role and that London & Partners finances are in hands until a permanent FD is appointed.

13. London & Partners Events Update

- 13.1. It was noted that the London & Partners Events Board met for the first time on Thursday 19 August. Laura Citron in her role as Chair of the company updated the Board.
- 13.2. The board were informed that two new Non-Executive Directors have been appointed to the L&P Events Board:
- Jeremy Rees, CEO of Excel Centre, with a very commercial focus.
 - Misan Harriman, founder of a start-up and photographer. He is a thought leader around arts and culture around London and diversity and inclusion.

13.3. Laura advised that the London & Partners Events Board proposes to set up an Ethics and Editorial Sub Committee to oversee content and relations with the sponsors of the event/ Misan Harriman will be asked to Chair it. Some external advisors will be invited to join the Sub Committee, some of whom might be FCO staff.

14. Any Other Business

14.1. It was noted that the next meeting of the Board will be the strategy awayday to be held on Thursday 8 October from 9.00am-1pm.

14.2. The Chairman noted that this was Sandie Dawes' last Board meeting. The Chairman thanked Sandie on behalf of the Board for her contribution over the last six years including her roles on all of the London & Partners Committees, being an active member of Audit & Finance for many years, as Chair of the Nomination Committee and most recently as Chair of the Remuneration Committee. Sandie has also been a great support to the Executive team as a sounding board and providing sound advice on a wide range of topics.

14.3. The Board agreed that Sandie will be very much missed and gave their warmest wishes for the future.

The meeting concluded at 11:50